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Rev

AMENDMENT TO H.R. 384

OFFERED BY MR. FRANK OF MASSACHUSETTS

Page 3, line 16, after the period insert the following:
“Such reporting may be required directly for nondeposi-
tory institutions or through the appropriate Federal
banking agency, as provided in section 103.”.

Page 4, line 15, strike “As” and insert “Except as
provided in section 105, as”.

Page 4, line 18, before the second comma insert
“made after the date of the enactment of the TARP Re-
form and Accountability Act of 2009”.

Page 5, line 1, strike “funding” and insert “assist-
ance”.

Page 5, line 10, strike “funds” and insert “assist-
ance”.

Page 6, line 23, strike “funds” and insert “assist-
ance”.

Page 7, after line 11, insert the following:

- 1 (4) RENTER PROTECTION.—In the case of any
- 2 foreclosure on any dwelling or residential real prop-
- 3 erty securing an extension of credit made under a

1 contract entered into after the date of the enactment
2 of this Act, any successor in interest in such prop-
3 erty pursuant to the foreclosure shall assume such
4 interest subject to—

5 (A) the provision, by the successor in inter-
6 est, of a notice to vacate to any bona fide ten-
7 ant at least 90 days before the effective date of
8 the notice to vacate; and

9 (B) the rights of any bona fide tenant, as
10 of the date of such notice of foreclosure—

11 (i) under any bona fide lease entered
12 into before the notice of foreclosure to oc-
13 cupy the premises until the end of the re-
14 maining term of the lease or the end of the
15 6-month period beginning on the date of
16 the notice of foreclosure, whichever occurs
17 first, subject to the receipt by the tenant
18 of the 90-day notice under subparagraph
19 (A); or

20 (ii) without a lease or with a lease ter-
21 minable at will under State law, subject to
22 the receipt by the tenant of the 90-day no-
23 tice under subparagraph (A).

1 (5) BONA FIDE LEASE OR TENANCY.—For pur-
2 poses of this paragraph (1), a lease or tenancy shall
3 be considered bona fide only if—

4 (A) the mortgagor under the contract is
5 not the tenant;

6 (B) the lease or tenancy was the result of
7 an arms-length transaction; or

8 (C) the lease or tenancy requires the re-
9 ceipt of rent that is not substantially less than
10 fair market rent for the property.

Page 7; line 14, strike “may permit an” and insert
“shall permit an assisted”.

Page 7; line 18, before the first period insert the fol-
lowing: “, and when such assistance is repaid, the Sec-
retary shall liquidate warrants associated with such as-
sistance at the current market price”.

Page 8, line 6, strike “means” and insert “mean”.

Page 8, strike lines 19 through 21 and insert the
following:

11 “(1) STANDARDS REQUIRED.—Notwithstanding
12 any”.

Page 8, line 25, strike “assisted institution” and in-
sert “institution that became an assisted institution after

the date of the enactment of the TARP Reform and Accountability Act of 2009”.

Page 9, lines 6 through 8, strike “an assisted institution which received assistance under this title” and insert “such institution”.

Page 10, strike lines 5 through 16.

Page 10, line 17, strike “(4)” and insert “(3)”.

Page 10, line 23, strike “on or after” and insert “before”.

Page 12, line 24, before the first period, insert “, and shall require such reports to be provided to the appropriate State bank supervisor (as defined in section 3 of the Federal Deposit Insurance Act)”.

Page 13, line 4 and 5, strike “striking paragraph (1) and inserting” and inserting “adding at the end”.

Strike line 6 on page 13 and all that follows through page 16, line 18, and insert the following:

1 “(4) AMOUNT.—For assistance provided after
2 the date of the enactment of the TARP Reform and
3 Accountability Act of 2009, and except as provided
4 in title III of such Act, the warrants or instruments
5 described in this section shall have a value at least

1 equal to 15 percent of the aggregate amount of such
2 assistance.”.

Strike line 23 on page 16 and all that follows through page 17, line 2.

Page 17, line 6, strike “make available funds” and insert “provide assistance”.

Page 17, line 8, before the period insert “, including such institutions that are privately held”.

Page 17, strike lines 9 through 12 and insert the following:

3 (b) COMPARABLE TERMS.—An institution that re-
4 ceives assistance after the date of the enactment of the
5 TARP Reform and Accountability Act of 2009, shall do
6 so on terms comparable to the terms applicable to institu-
7 tions that received assistance prior to the date of the en-
8 actment of such Act of 2009: *Provided*, That the institu-
9 tion—

Page 17, line 13, strike “have submitted applica-
tions” and inserting “has submitted an application”.

Page 17, line 18, strike “are” and insert “is”.

Page 17, line 25, strike the comma and insert a pe-
riod.

Page 18, strike lines 1 through 3.

Page 19, after line 12, insert the following:

1 **SEC. 107. INCLUSION OF WOMEN AND MINORITIES.**

2 (a) OFFICE OF MINORITY AND WOMEN INCLU-
3 SION.—The Secretary of the Treasury shall establish an
4 Office of Minority and Women Inclusion, or designate an
5 office of the entity, that shall be responsible for carrying
6 out this section and ensuring compliance by the Secretary
7 and each assisted institution (as such term is defined in
8 section 3 of the Emergency Economic Stabilization Act of
9 2008) with the requirements of this section. The Office
10 shall be responsible for all matters of the entity relating
11 to diversity in management, employment, and business ac-
12 tivities in accordance with such standards and require-
13 ments as the Secretary shall establish regarding the use
14 of assistance provided under title I of such Act.

15 (b) INCLUSION IN ALL LEVELS OF BUSINESS ACTIVI-
16 TIES.—The Secretary and each assisted institution shall
17 develop and implement standards and procedures to en-
18 sure, to the maximum extent possible, the inclusion and
19 utilization of minorities (as such term is defined in section
20 1204(c) of the Financial Institutions Reform, Recovery,
21 and Enforcement Act of 1989 (12 U.S.C. 1811 note)) and
22 women, and minority- and women-owned businesses (as
23 such terms are defined in section 21A(r)(4) of the Federal

1 Home Loan Bank Act (12 U.S.C. 1441a(r)(4)) (including
2 financial institutions, investment banking firms, mortgage
3 banking firms, asset management firms, broker-dealers, fi-
4 nancial services firms, underwriters, accountants, brokers,
5 investment consultants, and providers of legal services) in
6 all business and activities of the Secretary and each as-
7 sisted institution at all levels, including in procurement,
8 insurance, and all types of contracts (including contracts
9 for the issuance or guarantee of any debt, equity, or mort-
10 gage-related securities, the management of its mortgage
11 and securities portfolios, the making of its equity invest-
12 ments, the purchase, sale and servicing of single- and
13 multi-family mortgage loans, and the implementation of
14 its affordable housing program and initiatives). The proc-
15 esses established by the Secretary and each assisted insti-
16 tution for review and evaluation for contract proposals and
17 to hire service providers shall include a component that
18 gives consideration to the diversity of the applicant.

19 (c) APPLICABILITY.—This section shall apply to all
20 contracts of the Secretary of the Treasury and assisted
21 institutions for services of any kind, including services
22 that require the services of investment banking, asset
23 management entities, broker-dealers, financial services en-
24 tities, underwriters, accountants, investment consultants,
25 and providers of legal services.

1 (d) REPORTS TO CONGRESS.—Not later than 180
2 days after the date of the enactment of this Act, the Sec-
3 retary shall report to the Congress detailed information
4 describing the actions taken by the Office and assisted in-
5 stitutions pursuant to this section, which shall include a
6 statement of the total amounts provided by the Secretary
7 and assisted institutions under title I of the Emergency
8 Economic Stabilization Act of 2008 to third party contrac-
9 tors since the last such report and the percentage of such
10 amounts paid to businesses described in subsection (b) of
11 this section.

12 **SEC. 108. ANALYSIS OF USE OF ASSISTANCE.**

13 (a) REQUIREMENT.—The Secretary of the Treasury
14 shall regularly analyze timely and detailed information
15 concerning the use of assistance provided under title I of
16 the Emergency Economic Stabilization Act of 2008 by as-
17 sisted institutions to ensure that the program established
18 under title I of such Act is meeting the goals of the pro-
19 gram.

20 (b) AGENCY COLLECTION.—The Secretary of the
21 Treasury shall require the Federal banking agencies (as
22 defined in section 3 of the Federal Deposit Insurance Act)
23 and any other Federal agency the Secretary chooses to
24 report detailed information to the Secretary on the use
25 of assistance provided by the Secretary under the Emer-

1 gency Economic Stabilization Act of 2008 in a standard
2 electronic form on no less than a quarterly basis.

3 (c) SOURCE OF INFORMATION.—The data collected
4 and analyzed under subsections (a) and (b)—

5 (1) shall come from existing reports filed by all
6 assisted institutions where possible, including deposi-
7 tory institutions and nondepository institutions, with
8 the principal Federal regulator of each such institu-
9 tion, if any; and

10 (2) and should be sufficiently detailed and time-
11 ly to enable the Secretary to determine the effective-
12 ness of the program established under title I of the
13 Emergency Economic Stabilization Act of 2008 in
14 stimulating prudent lending and strengthening bank
15 capital.

16 (d) ADJUSTMENTS AND RECOMMENDATIONS.— If
17 the Secretary of the Treasury determines that—

18 (1) the goals of the program established under
19 title I of the Emergency Economic Stabilization Act
20 of 2008 are not being met, the Secretary shall work
21 with the Federal agencies supplying the information
22 under subsection (b) to encourage such agencies to
23 provide the recipients of assistance under such title
24 with recommendations for better meeting the goals
25 of the program; and

1 (2) the goals of the program are not being met
2 following the recommendations and adjustments
3 made in accordance with paragraph (1), the Sec-
4 retary shall adjust the future uses of assistance pro-
5 vided under such title.

6 **SEC. 109. DATABASE OF USE OF TARP FUNDS.**

7 The Secretary of the Treasury shall create and main-
8 tain a fully searchable database, accessible on the Internet
9 at no cost to the public, that contains the name of each
10 entity receiving funds made available under section 115(a)
11 of the Emergency Economic Stabilization Act of 2008 (12
12 U.S.C. 5225(a)) and the purpose for which such entity
13 is receiving such funds.

Page 19, line 13, strike “107” and insert “110”.

Page 19, line 16, strike “subsection” and insert
“subsections”.

Page 19, line 20, strike the quotation marks and the
last period.

Page 19, line after line 20, insert the following:

14 “(g) QUALIFIED PROPERTY.—

15 “(1) GUARANTEE.—Upon the request of a les-
16 see of qualified property in leases where the lessee
17 economically defeased its rent and purchase option
18 payments, the Secretary may serve as a guarantor

1 with respect to all payment obligations of such lessee
2 with respect to any defeased lease transaction that
3 is in technical default because of a downgrade of a
4 financial guarantor. Such guarantee shall be on such
5 terms and conditions as are determined by the Sec-
6 retary.

7 “(2) DEFINITIONS.—For purposes of this sub-
8 section, the following definitions shall apply:

9 “(A) QUALIFIED PROPERTY.—The term
10 ‘qualified property’ means domestic property
11 subject to a lease entered into prior to Novem-
12 ber 1, 2007, in which a State or local govern-
13 ment authority (as defined in section 5302(a)
14 of title 49, United States Code) is the lessee.

15 “(B) GUARANTOR.—The term ‘guarantor’
16 includes any guarantor, surety, and payment
17 undertaker.”.

Page 20, before line 1 insert the following new sec-
tion:

18 **SEC. 111. INVESTMENT OF TARP FUNDS IN CREDIT UNIONS**
19 **TAKEN INTO ACCOUNT IN DETERMINATION**
20 **OF NET WORTH.**

21 (a) IN GENERAL.—Section 216(o)(2) of the Federal
22 Credit Union Act (12 U.S.C. 1790d(o)(2)) is amended by

1 striking subparagraph (A) and inserting the following new
2 subparagraph:

3 “(A) with respect to any insured credit
4 union, means—

5 “(i) the retained earnings balance of
6 the credit union, as determined under gen-
7 erally accepted accounting principles, to-
8 gether with any amounts that were pre-
9 viously the retained earnings of any other
10 credit union with which the credit union
11 has combined; and

12 “(ii) any donated equity, permanent,
13 and perpetual capital deposits, or other
14 primary capital made available under Title
15 I of the Emergency Economic Stabilization
16 Act of 2008, as determined by regulation
17 or order of the Board with due regard for
18 the accepted capital standards for United
19 States depository institutions generally;
20 and”.

21 (b) **EFFECTIVE DATE.**—The amendment made by
22 subsection (a) shall take effect at the end of the 30-day
23 period beginning on the date of the enactment of this Act.

1 **SEC. 112. TREASURY FACILITATED AUCTION.**

2 Section 113(b) of the Emergency Economic Stabiliza-
3 tion Act of 2008 (12 U.S.C. 5223(b)) is amended to read
4 as follows:

5 “(b) USE OF MARKET MECHANISMS.—

6 “(1) IN GENERAL.—In making purchases under
7 this Act, the Secretary shall—

8 “(A) make such purchases at the lowest
9 price that the Secretary determines to be con-
10 sistent with the purposes of this Act; and

11 “(B) maximize the efficiency of the use of
12 taxpayer resources by using market mecha-
13 nisms, including auctions or reverse auctions,
14 where appropriate.

15 “(2) AUCTION FACILITATION.—

16 “(A) IN GENERAL.—The Secretary shall,
17 in coordination with institutions that volunteer
18 to participate, and not using any funds under
19 this title for purchases, facilitate an auction of
20 troubled assets owned by such institutions to
21 third party purchasers.

22 “(B) REPORT.—If the auction described in
23 subparagraph (A) does not take place within
24 the 3 month period following the date of the en-
25 actment of the TARP Reform and Account-

1 ability Act of 2009, the Secretary shall issue a
2 report to the Congress stating—

3 “(i) why such auction has not taken
4 place; and

5 “(ii) by what mechanism the Sec-
6 retary feels that troubled assets could most
7 expeditiously be valued and liquidated.”

Page 20, after line 4, insert the following:

8 (a) COMMITMENT OF RESOURCES.—Notwithstanding
9 any provision of title I of the Emergency Economic Sta-
10 bilization Act of 2008, not later than seven days after the
11 date of the enactment of the TARP Reform and Account-
12 ability Act of 2009, the Secretary of the Treasury (in this
13 title referred to as the “Secretary”) shall commit funds
14 made available to the Secretary under title I of the Emer-
15 gency Economic Stabilization Act of 2008 in an amount
16 of at least \$100,000,000,000, unless the Secretary cer-
17 tifies otherwise under subsection (d), but in no case less
18 than \$40,000,000,000, for the purposes of foreclosure
19 mitigation. Not less than \$20,000,000,000 of this amount
20 shall be dedicated to the program described under section
21 204 of this Act. The Secretary shall consult with the
22 Chairperson of the Board of Directors of the Federal De-
23 posit Insurance Corporation regarding the administration
24 of the program.

Page 20, line 5, strike “(a)” and insert “(b)”.

Page 20, strike “of the Treasury” in line 8 and all that follows through “‘Secretary’” in line 9.

Page 20, line 11, after “to” insert “use the funds committed under subparagraph (a) to”.

Page 20, strike lines 16 through 21.

Strike “committing funds” in line 23 of page 20 and all that follows through “of 2008” on page 21, line 1.

Page 21, line 2, strike “(a)” and insert “(b)”.

Page 21, line 3, strike “by May 1, 2009,”.

Page 21, lines 4 and 5, strike “more than the minimum of \$40,000,000,000 as required” and insert “at least \$100,000,000,000 in the plan established”.

Page 21, lines 6 and 7, strike “, no later than May 15, 2009,” and insert “in the plan”.

Page 21, line 7, strike “additional funds” and insert “amounts”.

Page 21, after line 8, insert the following:

- 1 (e) CLARIFICATION.—For purposes of this title, the
- 2 term “residential properties” shall include 1- to 4-family
- 3 residential properties.

Page 21, line 11, strike “201(a)” and insert “201(b)”.

Page 21, lines 23 and 24, strike “one, or a combination of more than one,” and insert “the systematic foreclosure prevention and mortgage modification program under section 204 and a combination”.

Page 21, after line 25, insert the following:

1 (4) WORKFORCE AND OUTREACH.—The plan
2 shall set forth how the Secretary intends to develop,
3 second, or contract for appropriate staffing to carry
4 out the plan and the component programs and to en-
5 sure that private mortgage servicers utilizing the
6 programs established by the Secretary will provide
7 sufficient staffing and resources to engage in the
8 outreach, loss mitigation activities, and homeowner
9 education necessary for successful foreclosure miti-
10 gation.

Page 22, line 2, strike “201(a)” and insert “201(b)”.

Page 22, strike lines 9 through 11.

Page 22, line 12, strike “(2)” and insert “(1)”.

Page 22, line 23, strike “(3)” and insert “(2)”.

Page 23, line 8, strike “(4)” and insert “(3)”.

Page 23, line 13, strike “(5)” and insert “(4)”.

Page 23, line 10, after “servicers” insert the following: ““, including servicers that are not affiliated with a depository institution,”.

Page 23, line 19, after “Corporation” insert “, regional public-private partnerships,”.

Page 23, after line 22, insert the following:

1 (5) SUBSTITUTION OF TRUST.—A program
2 under which modifications are allowed to the
3 securitization trust agreements with respect to secu-
4 rities secured by pools of mortgages to allow a new
5 qualified buyer to be substituted on a foreclosed
6 property or a delinquent mortgage without seeking
7 new financing.

Page 24, line 18, after “with” insert “the Chair-
person of the Federal Deposit Insurance Corporation
and”.

Page 27, line 19, strike “201(a)” and insert
“201(b)”.

Page 28, line 3, strike “118” and insert “title I”.

Page 28, line 12, strike “204” and insert “205”.

Page 28, line 18, strike "201(a)" and insert "201(b)".

Page 29, line 1, strike "205" and insert "206".

Strike line 21 on page 31 and all that follows through page 32, line 2.

Page 32, line 3, strike "(c)" and insert "(b)".

Page 32, line 10, strike "(d)" and insert "(c)".

Page 32, after line 19, insert the following:

1 **SEC. 207. FORECLOSURE PREVENTION FOR AFFORDABLE**
2 **HOUSING.**

3 Section 109 of the Emergency Economic Stabilization
4 Act of 2008 (12 U.S.C. 5219) is amended to read as fol-
5 lows:

6 **"SEC. 109. FORECLOSURE MITIGATION EFFORTS.**

7 **"(a) RESIDENTIAL MORTGAGE SERVICING STAND-**
8 **ARDS.—**To the extent that the Secretary acquires mort-
9 gages, mortgage backed securities, and other assets se-
10 cured by residential real estate, including multifamily
11 housing, the Secretary shall implement a plan that seeks
12 to maximize assistance for homeowners and renters and
13 use the authority of the Secretary to encourage the
14 servicers of the underlying mortgages, considering net
15 present value to the taxpayer, to take advantage of the

1 HOPE for Homeowners Program under section 257 of the
2 National Housing Act or other available programs to mini-
3 mize foreclosures. In addition, the Secretary may use loan
4 guarantees and credit enhancements to facilitate loan
5 modifications to prevent avoidable foreclosures on single-
6 family and multifamily housing.

7 “(b) COORDINATION.—The Secretary shall coordi-
8 nate with the Corporation, the Board (with respect to any
9 mortgage or mortgage-backed securities or pool of securi-
10 ties held, owned, or controlled by or on behalf of a Federal
11 reserve bank, as provided in section 110(a)(1)(C)), the
12 Federal Housing Finance Agency, the Secretary of Hous-
13 ing and Urban Development, and other Federal Govern-
14 ment entities that hold troubled assets to attempt to iden-
15 tify opportunities for the acquisition of classes of troubled
16 assets that will improve the ability of the Secretary to im-
17 prove the loan modification and restructuring process and,
18 where permissible, to permit bona fide tenants who are
19 current on their rent to remain in their homes under the
20 terms of the lease. In the case of a mortgage on a residen-
21 tial rental property, including a qualified low-income
22 building under section 42 of the Internal Revenue Code
23 of 1986, the plan required under this section shall include
24 protecting Federal, State, and local rental subsidies and
25 protections, and ensuring any modification takes into ac-

1 count the need for operating funds to maintain decent and
2 safe conditions at the property.

3 “(c) CONSENT TO REASONABLE LOAN MODIFICA-
4 TION REQUESTS.—Upon any request arising under exist-
5 ing investment contracts, the Secretary shall consent,
6 where appropriate and considering net present value to the
7 taxpayer, to reasonable requests by homeowners and own-
8 ers of multifamily housing, including qualified low-income
9 buildings under section 42 of the Internal Revenue Code
10 of 1986, for loss mitigation measures, including term ex-
11 tensions, rate reductions, principal write downs, increases
12 in the proportion of loans within a trust or other structure
13 allowed to be modified, or removal of other limitation on
14 modifications.”

Page 32, line 20, strike “206” and insert “208”.

Page 33, after line 6, insert the following (and con-
form the Table of Contents accordingly):

15 **SEC. 209. MORTGAGE MODIFICATION DATA COLLECTING**
16 **AND REPORTING.**

17 (a) REPORTING REQUIREMENTS.—Not later than
18 120 days after the date of the enactment of this Act, and
19 quarterly thereafter, the Comptroller of the Currency, in
20 coordination with the Director of the Office of Thrift Su-
21 pervision, shall submit a report to the Committee on

1 Banking, Housing, and Urban Affairs of the Senate, the
2 Committee on Financial Services of the House of Rep-
3 resentatives, and the Joint Economic Committee on the
4 volume of mortgage modifications reported to the Office
5 of the Comptroller of the Currency and the Office of
6 Thrift Supervision, under the mortgage metrics program
7 of each such Office, during the previous quarter, including
8 the following:

9 (1) The total number of mortgage modifications
10 resulting in each of the following:

11 (A) Additions of delinquent payments and
12 fees to loan balances.

13 (B) Interest rate reductions and freezes.

14 (C) Term extensions.

15 (D) Reductions of principal.

16 (E) Deferrals of principal.

17 (F) Combinations of modifications de-
18 scribed in subparagraph (A), (B), (C), (D), or
19 (E).

20 (2) The total number of mortgage modifications
21 in which the total monthly principal and interest
22 payment resulted in the following:

23 (A) An increase.

24 (B) Remained the same.

25 (C) Decreased less than 10 percent.

1 (D) Decreased 10 percent or more.

2 (b) DATA COLLECTION.—

3 (1) REQUIRED.—

4 (A) IN GENERAL.—Not later than 60 days
5 after the date of the enactment of this Act, the
6 Comptroller of the Currency and the Director
7 of the Office of Thrift Supervision, shall issue
8 mortgage modification data collection and re-
9 porting requirements to institutions covered
10 under the reporting requirement of the mort-
11 gage metrics program of the Comptroller or the
12 Director.

13 (B) INCLUSIVENESS OF COLLECTIONS.—

14 The requirements under subparagraph (A) shall
15 provide for the collection of all mortgage modi-
16 fication data needed by the Comptroller of the
17 Currency and the Director of the Office of
18 Thrift Supervision to fulfill the reporting re-
19 quirements under subsection (a).

20 (2) REPORT.—The Comptroller of the Currency
21 shall report all requirements established under para-
22 graph (1) to each committee receiving the report re-
23 quired under subsection (a).

Page 52, strike “obligation” in line 19 and all that follows through “2008” in line 21 and insert “existing vested legal rights and the Constitution”.

Page 63, line 9, after the first period insert the following: “In determining which classes of consumer loans to support, the Secretary may consider the applicable regulatory structure and level of consumer protection afforded to such loans.”.

Page 63, line 11, strike “103” and insert “101”.

Page 63, line 13, strike “(f)” and insert “(g)”.

Page 63, line 13, strike “401” and insert “110”.

Page 63, line 15, strike “(g)” and insert “(h)”.

Page 64, line 8, before the first period insert the following: “or any other entity eligible to issue bonds the interest on which is excludable from gross income for Federal income tax purposes.”.

Page 64, line 19, after “estate loans,” insert “including loans for multifamily housing,”.

Page 64, after line 22, insert the following new sections:

1 **SEC. 404. SMALL BUSINESS LOANS.**

2 Title I of the Emergency Economic Stabilization Act
3 of 2008 (12 U.S.C. 5211 et seq.) is amended by adding
4 after section 138 (as added by section 403 of this title)
5 the following new section:

6 **“SEC. 139. CLARIFICATION OF AUTHORITY REGARDING**
7 **SMALL BUSINESS LOANS.**

8 “The authority of the Secretary to take any action
9 under this title includes the authority to establish or sup-
10 port facilities to support the availability of small business
11 loans, including farm loans, loans to minority and dis-
12 advantaged businesses, debtor-in-possession financing,
13 dealer floor plan financing, and any other small business
14 loans, including through purchase of asset-backed securi-
15 ties, directly or through the Board or any Federal reserve
16 bank.”

17 **SEC. 405. COMMERCIAL LOANS.**

18 Title I of the Emergency Economic Stabilization Act
19 of 2008 (12 U.S.C. 5211 et seq.) is amended by adding
20 after section 139 (as added by section 404 of this title)
21 the following new section:

22 **“SEC. 140. CLARIFICATION OF AUTHORITY REGARDING**
23 **COMMERCIAL LOANS.**

24 “The authority of the Secretary to take any action
25 under this title includes the authority to establish or sup-
26 port facilities to support the availability of commercial

1 loans, including through purchase of asset-backed securi-
2 ties, directly or through the Board or any Federal reserve
3 bank.”.

4 **SEC. 406. AUTOMOBILE FLEET PURCHASE LOANS.**

5 Title I of the Emergency Economic Stabilization Act
6 of 2008 (12 U.S.C. 5211 et seq.) is amended by adding
7 after section 140 (as added by section 405 of this title)
8 the following new section:

9 **“SEC. 140. CLARIFICATION OF AUTHORITY REGARDING**
10 **AUTOMOBILE FLEET PURCHASE LOANS.**

11 “The authority of the Secretary to take any action
12 under this title includes the authority to establish or sup-
13 port facilities to support the availability of automobile fleet
14 purchase loans, including loans for the automobile rental
15 industry and other fleet purchasers, including through
16 purchase of asset-backed securities, directly or through
17 the Board or any Federal reserve bank.”.

18 **SEC. 407. CERTIFICATION.**

19 Subsection (a) of section 105 of the Emergency Eco-
20 nomic Stabilization Act of 2008 (12 U.S.C. 5215(a)) is
21 amended—

22 (1) in paragraph (2), by striking “and” at the
23 end;

24 (2) in paragraph (3), by striking the period at
25 the end and inserting “; and”; and

1 (3) by adding at the end the following new
2 paragraph:

3 “(4) the use of the authority for the purposes
4 specified in the amendments made by title IV of the
5 TARP Reform and Accountability Act of 2009.”.

Strike line 1 on page 68 and all that follows through
page 69, line 2.

Page 69, line 7, strike “carry out” and insert “es-
tablish and implement, within 60 days of the date of the
enactment of the TARP Reform and Accountability Act
of 2009,”.

Page 69, lines 8 and 9, strike “using the authority
made available by section 1117 of the Housing and Eco-
nomic Recovery Act of 2008”.

Page 69, lines 11 and 12, strike “which shall include
ensuring” and insert “by providing mechanisms to en-
sure”.

Page 69, line 12, after “affordable” insert “, below-
market”.

Strike line 15 on page 69 and all that follows
through page 70, line 13, and insert the following:

6 (b) IMPLEMENTATION.—The Secretary shall execute
7 the program under this section using the authority to pur-

1 chase obligations and other securities issued by the Fed-
2 eral National Mortgage Association, the Federal Home
3 Loan Mortgage Corporation, and the Federal Home Loan
4 Banks made available by the Housing and Economic Re-
5 covery Act of 2008 and such other authority as the Sec-
6 retary may have (other than that provided by title I of
7 the Emergency Economic Stabilization Act of 2008) to
8 make affordable, below-market interest rates available di-
9 rectly through portfolio lenders.

Page 70, line 14, strike “(d)” and insert “(c)”.

Page 70, line 17, after “affordable” insert “, below-
market”.

Strike line 24 on page 70 and all that follows
through page 71, line 3, and insert the following:

10 (e) TARGETING FOR HOUSING DISASTER AREAS.—

11 (1) IN GENERAL.—In carrying out the program
12 under this section, the Secretary shall take into con-
13 sideration impact of activities under the program on
14 housing disaster areas.

15 (2) REPORT.—Not later than 60 days after the
16 Secretary first has authority to purchase troubled
17 assets pursuant to section 115(a)(3) of the Emer-
18 gency Economic Stabilization Act of 2008 (12
19 U.S.C. 5225(a)(3)), the Secretary shall—

1 (A) evaluate the impact of existing Federal
2 foreclosure prevention activities on housing dis-
3 aster areas;

4 (B) make a determination of whether the
5 foreclosure rates and anticipated default rates
6 in such areas have been adequately reduced;
7 and

8 (C) submit a report to the Congress that
9 describes the impact of such activities and the
10 determination of the Secretary under subpara-
11 graph (B).

12 (3) ALTERNATIVE PROPOSALS.— If the Sec-
13 retary determines that the foreclosure rates and an-
14 ticipated default rates in housing disaster areas have
15 not been adequately reduced, the Secretary shall—

16 (A) consider carrying out alternative pro-
17 posals, including a proposal under which the
18 Federal Government makes available affordable
19 mortgages, including refinancings, through sub-
20 sidized financing or mortgage purchases; and

21 (B) establish and carry out alternative pro-
22 grams as the Secretary considers necessary to
23 ensure that foreclosure prevention efforts are
24 most effective in the areas of greatest need, in-
25 cluding housing disaster areas.

1 (4) HOUSING DISASTER AREAS.—For purposes
2 of this section, the term “housing disaster area”
3 means a geographic area having both—

4 (A) a high foreclosure rate during the 12
5 months preceding the date of the enactment of
6 this Act, as measured by percentages of homes
7 in or having gone through foreclosure during
8 such period and compared to other areas; and

9 (B) a substantial decline in home prices
10 during the 12 months preceding the date of the
11 enactment of this Act, as measured by the Of-
12 fice of Federal Housing Enterprise and Over-
13 sight and compared to other areas.

Page 72, line 20, strike “1814(a)” and insert
“1824(a)”.

At the end of the bill, add the following new title:

14 **TITLE VIII—REPORTS ON THE**
15 **GUARANTEE OF CERTAIN**
16 **CITIGROUP ASSETS**

17 **SEC. 801. REPORTS REQUIRED.**

18 (a) TREASURY REPORTS.—Not later than 30 days
19 after the date of the enactment of this Act, the Secretary
20 of the Treasury, in coordination with the Chairperson of
21 the Board of Directors of the Federal Deposit Insurance

1 Corporation, shall issue a report to the Committee on Fi-
2 nancial Services of the House of Representatives, the
3 Committee on Banking of the Senate, and to the Comp-
4 troller General of the United States containing the fol-
5 lowing:

6 (1) The authority under which the Citigroup
7 guarantee and purchases were made.

8 (2) A complete accounting of the specific loans,
9 securities, and any other financial instruments in the
10 asset pool covered by the Citigroup guarantee.

11 (b) GAO REPORT.—Not later than 60 days after the
12 date the Secretary of the Treasury issues the report re-
13 quired by subsection (a), the Comptroller General of the
14 United States shall issue a report to the Committee on
15 Financial Services of the House of Representatives and
16 the Committee on Banking of the Senate examining the
17 probable long-term cost to the Federal Government of the
18 Citigroup guarantee.

19 (c) CITIGROUP GUARANTEE DEFINED.—For the pur-
20 pose of this section, the term “Citigroup guarantee”
21 means the agreement announced November 23, 2008, be-
22 tween Citigroup and the Treasury and the Federal De-
23 posit Insurance Corporation to guarantee or purchase,
24 partly through the use of funds authorized under the
25 Emergency Economic Stabilization Act of 2008 (12

1 U.S.C. 5201 et seq.), an asset pool of approximately \$306
2 billion of loans and securities backed by residential and
3 commercial real estate and other such assets on
4 Citigroup's balance sheet.

5 **TITLE IX—GAO STUDY OF** 6 **FINANCIAL CRISIS**

7 **SEC. 901. STUDY REQUIRED.**

8 The Comptroller General of the United States shall—

9 (1) conduct an in-depth study of the root
10 causes of the financial crisis; and

11 (2) submit a report to the Congress and the
12 President, and transmit a copy to the Secretary of
13 the Treasury, containing the findings and conclu-
14 sions of the Comptroller General with respect to the
15 study under paragraph (1), together with such rec-
16 ommendations for legislative and administrative ac-
17 tion as the Comptroller General may determine to be
18 appropriate before the end of the 6-month period be-
19 ginning on the date of the enactment of this Act.

20 **SEC. 902. TREASURY STRATEGY AND TIMELINE.**

21 Using the findings and conclusions of the Comptroller
22 General in the report under section 901(2), within 30
23 days, the Secretary of the Treasury shall issue an overall
24 strategy and timeline for implementing the recommenda-

- 1 tions contained in the report with the goal of financial sta-
- 2 bility and the well-being of taxpayers.

